



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

**Capital Debt Affordability Advisory Committee
Minutes of Meeting on Tuesday, September 1, 2015**

CDAAC Members Attending

BETH PEARCE, CDAAC Chair, Vermont State Treasurer
DOUG HOFFER, Vermont State Auditor (via telephone)
SARA BYERS, President, Leonardo's of Vermont
DAVID COATES, CPA, Managing Partner, KPMG (Retired) and VT Business Roundtable
ROBERT GIROUX, Executive Director, Vermont Municipal Bond Bank
JUSTIN JOHNSON, Secretary of Administration

Also Attending

MICHAEL OBUCHOWSKI, Commissioner, Buildings and General Services
JULIE GUTGSELL, Buildings and General Services
STEVE WISLOSKI, Deputy State Treasurer
SCOTT BAKER, State Treasurer's Office
STEVE KLEIN, Chief Fiscal Officer, Legislative Joint Fiscal Office
CATHERINE BENHAM, Associate Fiscal Officer, Legislative Joint Fiscal Office
TOM HUESTIS, Public Resources Advisory Group (via telephone)
CHRISTINE FAY, Public Resources Advisory Group (via telephone)

Ms. Pearce called the meeting to order at 1:03 p.m. followed by introductions of all attendees.

Ms. Pearce welcomed the new CDAAC members and noted that there is one vacancy which is expected to be filled by Mr. David Kimel, Chair of the Vermont Municipal Bond Bank.

Ms. Pearce gave a history of CDAAC and discussed the importance of maintaining high credit ratings.

Mr. Coates made a motion to approve the minutes of the November 24, 2014 meeting. Mr. Giroux seconded the motion, which passed unanimously.

Mr. Hoffer emphasized his view that the Committee should consider the impact of capital spending on economic conditions of the State, examine the cost-benefit levels of debt financing, and include this in their report to the Legislature.

Mr. Wisloski reviewed the Statutes relating to CDAAC (Title 32, Sections 1000, 1001, 1001a).

Mr. Wisloski reviewed the current Moody's State Debt Medians report and pointed out Vermont's ranking amount all States in level of debt issuance. He noted that this is the first time in 30 years that overall debt for U.S. States has declined, although Vermont has lagged other states in reducing its debt level. He then explained the critical debt ratios which the Committee reviews when considering their capital debt recommendation, and highlighted some of the key tables which are included in the CDAAC report.

Mr. Wisloski explained the logic of comparing Vermont's key ratios to those of other States which have at least two AAA ratings. Mr. Huestis stated that there were no Ratings changes to other states in the past year, but there were some changes to their outlooks.

The current plan is to have the report updated with new information and sent to the Committee for review during the week of September 14th. The next meeting is scheduled for Monday, September 28th from 1:00-3:00. Mr. Coates suggested that Mr. Kimel should be briefed on the topics discussed to date.

Mr. Wisloski asked if there were any public comments, and there were none.

Mr. Coates made a motion to adjourn the meeting, Mr. Johnson seconded. Following a unanimous vote, the meeting was adjourned at 2:55 p.m.